

8 Stage 4 Standard Operating Procedure

8.1 Purpose

The purpose of Stage 4 (Letting Preparation) is to provide the department and our customers with an orderly, predictable mix and flow of projects that have completed Stage 3 (Final Design Process) and advanced to the beginning of Stage 5 (Construction Process). Stage 4 processes will be used on all headquarters-let projects including TIMED projects. Construction/maintenance projects let in the districts will not be subject to Stage 4 processes, but information from these projects will be taken into consideration during Stage 4.

The anticipated benefits of Stage 4 are typical of benefits inherent to stable, uniform, and predictable processes.

- DOTD can announce with greater confidence when a project will be let and construction will begin, make more informed/accurate budget decisions, and reduce adverse effects of construction on the public and local business.
- Public officials can have more confidence in our letting and construction schedules, thus enabling them to plan better and react accordingly.
- Contractors will have a greater planning horizon, and, as a result, conduct their activities with greater certainty.
- A reduction in “last minute” changes during the advertising period will result in better bids and fewer mistakes by contractors, i.e. reduced project costs and reduced conflict/litigation.
- The public can be better informed, and therefore plan for and adjust to temporary inconveniences.

8.2 Process

The Stage 4 process is graphically presented in figure 8-1 (see page 8-8). It begins in July prior to the year of construction and examines projects with delivery dates set during that state fiscal year. These projects will be examined, prioritized, and scheduled for letting during the following fiscal year within budgetary confines. The process will repeat itself

each year, beginning each July. Completed Stage 3 projects that do not, for whatever reason(s), get let in the year that they were initially scheduled may be inserted in the next year's schedule or may be placed back into the pool of Stage 3 projects awaiting prioritization. Project authorization (federal), advertisement, letting, award, and contract execution processes remain unchanged.

Step 1: As the first step, in July of each year the districts will be given a listing of projects with project delivery date that is to occur that state fiscal year within the respective district. The districts will then prioritize each project within each budget partition sub-category, i.e., they must rank one capacity project over another capacity project or one non-interstate preservation project over the other non-interstate preservation projects. This step provides for a mix of project types while adding a degree of priority.

Step 2: After the sub-category prioritization, the districts will then prioritize/rank all projects within their district. This step provides for input of district-wide priority while maintaining the mix of project types.

The results of these first two steps will produce a ranking of projects as illustrated in the following example:

PROJECT TYPE	PROJECTS	SUB-CATEGORY RANK	DISTRICT RANK
pp/non-inter	A	1	5
	B	2	6
	C	3	7
Pp/inter	D	1	1
	E	2	2
Cap	F	1	3
Rest	G	1	11
Off-bridge	H	1	4
	I	2	8
	J	3	9
	K	4	10

ORDERED RANK

1. D 1-1
2. F 1-3
3. H 1-4
4. A 1-5
5. G 1-11
6. E 2-2
7. B 2-6
8. I 2-8
9. C 3-7
10. J 3-9
11. K 4-10

Step 3: Next, each district will submit their ordered ranking of projects to Project Control in mid-September. Project Control will combine the districts' ordered ranking of projects to formulate a state-wide ordered list of projects. In general, Project Control will take each top ranked project from each district and place it near the top of the statewide list. Each of the districts second-ranked projects will come next, third-ranked projects next, continuing down the districts' ordered rankings until all projects are included. This step will provide for a geographic distribution of projects with a degree of both district and statewide priority attached.

Step 4: Project Control then confers with the Executive Committee to identify significant projects that should be moved towards the top of the statewide ranking. This step allows for flexibility in the proposed program.

Step 5: The next step requires that Project Control examine the statewide list to determine preferred letting dates based upon socio-economic factors such as the construction effects on traffic, traffic management, schools, hospitals, emergency vehicles, business concerns, holiday travel, and special events in the area. Factors that must be taken into consideration are the anticipated work order date, the character and type of construction, the length of the contract, traffic and opportunities for traffic management and re-routing, nature, and the extent of other influencing factors in the area. In some cases, a shift in letting date will significantly reduce negative socio-economic impacts. However, in most cases, the potential problems can not be mitigated by selecting a particular letting date. In these situations, Project Control may be able to use the

information gained during its project evaluation to recommend to design, the districts and/or the public information office other avenues to mitigate some of the detrimental effects of the construction on the public and the business concerns in the area.

Step 6: Based upon the analysis performed in the previous step, Project Control develops a draft ranking of projects with preferred letting dates where appropriate.

Steps 7 & 8: In consultation with the program finance committee, Project Control will select project letting dates based upon the concept of equally spreading the dollar value of the capital outlay program over the entire year. Leveling the program will assist contractors in their pursuit of work and should increase competition.

The project letting dates selected by Project Control will be given to the Chief Engineer for his review and approval. This step must be completed in October of each year to allow for development and approval of the next year's program by the legislature and the development and approval of the State Transportation Improvement Program (STIP).

Step 9: Finally, Project Control will advertise and let projects according to the approved project letting date. Authorization, award, DBE matters, and contract matters will continue and do not change.

At this point, the project is turned over to Stage 5 with the issuance of the "Notice of Contract Execution."

Letting dates for projects that are postponed, withdrawn or re-bid will be, with the Chief Engineer's approval, assigned/inserted into the next available letting or may be returned to Stage 4/Step 5 as necessary.

8.3 Responsibility Matrix

STEP	DISTRICT	PROJECT CONTROL	OTHERS
1.Priorities by category	X	Assist	
2.Priorities by district	X	Assist	
3.Statewide ranking		X	
4.Identify hot projects		Assist	X-DOTD Administration
5.Socio-economic	Assist	X	Assist-Adm/Area Officials
6.Draft ranking		X	
7.Approval of ranking			X-PFC/Chief Engineer
8.Leveling/Letting dates		X	
9.Auth/ADD/Let/Award, etc.		X	C&S/FHWA

8.4 Checklist

- District completes ranking by subcategory
- District completes ranking by district-wide priority
- All district rankings submitted to Project Control
- Project Control combines/completes statewide ranking
- Executive Committee identifies significant projects
- Project Control adjusts statewide ranking based upon Executive Committee's identification of significant projects
- Project Control examines each project on list to determine socio-economic effects (see note)
- Project Control adjusts list to optimize/minimize impacts
- Project Control recommends remedial measures to Design/Contracts & Specifications
- Project Control selects letting dates based upon level dollar volume per letting
- Project Control presents proposed list/letting dates to PFC for review; adjusts as necessary
- Project Control submits proposed letting list/dates to Chief Engineer for approval and adjusts as necessary
- Project Control publishes letting list for next 6 months (6-month look ahead) on the internet
- Contracts & Specifications updates proposals based upon approved letting dates

- Contracts & Specifications has proposals reproduced
- Project Control identifies exact funding source of project
- Project Control verifies through “LETS” that all required permits/agreements/etc. are in place
- Project Control gathers required data and requests federal authorization on fed-aid projects; authorization is requested based upon letting dates and can continue down the letting list (without pause) until completed
- Project Control advertises projects
- Project Control takes orders, distributes proposals
- Business Services distributes plans
- Project Control distributes addenda
- Project Control opens bids
- Project Control evaluates bids and enters bid data into “BIDS” system
- Project Control conducts bid review
- Project Control prepares recommendations for award to Chief Engineer
- Project Control requests concurrence in award from FHWA when required
- Project Control requests concurrence in award from sponsor when necessary
- Project Control issues apparent low bidder letter
- Project Control requests and modifies federal funding if necessary
- Project Control encumbers state and federal monies against project and vendor
- Compliance calls low bidder and writes letter on DBE projects
- Compliance reviews and approves DBE submittal
- Contracts & Specifications prepares contracts
- Project Control awards contracts
- Contractor executes contract and supplies bonding and insurance
- Project Control checks contracts, bonds, and insurance; if not satisfactory, corresponds with contractor/surety/insurance agent to correct
- Project Control issues “Notice of Contract Execution” to district/contractor
- Project Control adjusts monies throughout life of contract
- Project Control zero’s project funds, closes project after final estimate is paid

Note: The process to accomplish this task has not been completely defined. The intention is to mitigate spin-off problems related to letting/work order date and construction of a particular project. Project Control will need to determine whether a project will severely impact business/civic interests and local traffic. Project scope, construction procedures,

traffic control plans, and anticipated project duration must be coordinated with area business/civic needs and other construction in the area. This task will require close coordination with district personnel, local authorities, and industry to determine and mitigate potential conflicts.

8.5 Project Finance Committee (PFC) Duties in Stage 4

- The PFC provides final project financing plan to Stage 4 committee (and Project Control).
- The PFC coordinates with the scheduler (Stage 4 committee) and adjusts cash flow plan for the project.
- The PFC receives and reviews monthly letting results (from Project Control or Stage 4 committee). After Chief Engineer receives recommendations from bid review committee and decides to award, Project Control will adjust project construction budget amounts for low bid amount, contingencies, and CIA.
- The PFC adjusts program budgets accordingly and provides management with the cash balance report (the checkbook balance).

8.6 Deliverables

The following are the primary goals of Stage 4:

- During the fiscal year (FY), let and award an optimized mix of project types reflective of the budget partition's sub-categories and funding levels; an optimized geographical mix of projects; and projects reflective of local and statewide priorities.
- During the FY, let and award projects in a manner that reduces negative socio-economic impacts to the traveling public and Louisiana business and industry.
- Level the monthly letting schedule based upon dollar value let.

PROJECT DELIVERY STAGE FOUR
STANDARD OPERATING PROCEDURES

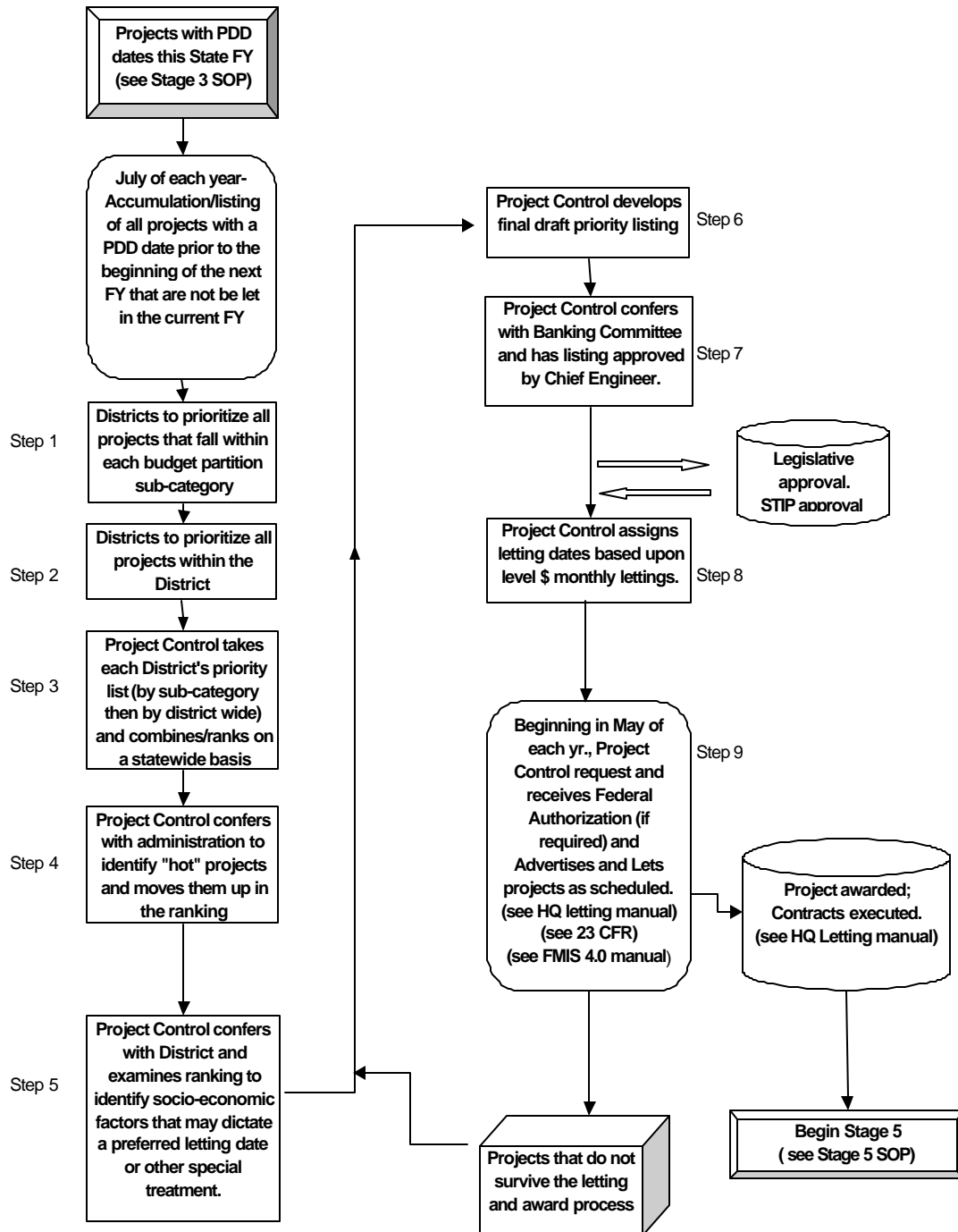


Figure 8-1